

TITLE 13
ECONOMIC DEVELOPMENT
Part I. Financial Incentive Programs

Chapter 7. Enterprise Zone Program

§ 701. Scope

A. Intent of Program. The intent of the program is to stimulate employment for residents in depressed areas of the state which are designated as enterprise zones by providing tax incentives to a business hiring from these areas.

B. Description of Program. The Louisiana Enterprise Zone Program is a jobs program which gives tax incentives to a business hiring from enterprise zones in Louisiana or from one of the other targeted groups. Enterprise Zone Program incentives are in addition to other state sponsored incentives such as the Industrial Tax Exemption Program and the Restoration Tax Abatement Program. Enterprise Zone and Quality Jobs Programs are mutually exclusive.

C. The following incentives are available.

1. A one-time tax credit of \$2,500 for each net new job filled with a Louisiana resident added to the applicant's payroll. The tax credit may be used to satisfy state income tax and/or franchise tax liabilities. If the entire tax credit cannot be used in the year created, the remainder may be applied against the state income tax and/or franchise tax liabilities for the succeeding 10 taxable years or until the entire credit is used, whichever occurs first.

2. In lieu of § 701.C.1 tax credit, aviation and aerospace industries [as defined in the 3720s and 3760s Standard Industrial Classification (SIC) manual] and auto parts manufacturers [as defined in 3363s North American Industrial Classification System (NAICS) manual] are eligible for a one-time tax credit of \$5,000 for each net new job filled with a Louisiana resident added to the applicant's payroll. The tax credit may be used to satisfy state income tax and/or franchise tax liabilities. If the entire tax credit cannot be used in the year created, the remainder may be applied against the state income tax and/or franchise tax liabilities for the succeeding 10 years, or until the entire credit is used, whichever occurs first. The \$5,000 tax credit for auto parts manufacturers will sunset June 30, 2006.

3. An additional \$2,500 tax credit is available to an applicant hiring Temporary Assistance for Needy Families (TANF) recipients. This tax credit is in addition to the incentive for new jobs created in § 701.C.1 and § 701.C.2. The TANF recipient must receive compensation which will disqualify them from continued participation in TANIF and must be employed for two years to generate the additional tax credit. The tax credit may be used to satisfy state income tax and/or franchise tax liabilities. If the entire tax credit cannot be used in the year created the remainder may be applied against the state income tax and/or franchise tax liabilities for the succeeding 10 years or until the entire credit is used, whichever occurs first. An employer shall not obtain the jobs tax credit for more than 10 TANIF employees in the first year of participation in the program.

4. Rebates can consist of sales/use taxes imposed by the state and imposed by local governmental subdivisions, upon approval of the governing authority of the appropriate municipality, parish, or district, where applicable, on all eligible purchases during the specified project/construction period per § 725.H. The project/construction period is limited to a 24 month period. Upon a written request, a project/construction period extension, not to exceed six months, may be granted by the Office of

Business Development, Business Incentives Division (BI). Rebates paid by local governmental subdivisions can only consist of those sales/use taxes that are not dedicated to the repayment of bond indebtedness or dedicated to schools. Final requests for the payment of any rebate must be filed with the Louisiana Department of Revenue (LDOR) and/or its local governmental subdivision no later than six months after the project's completion is documented or six months after the date of the governor's signature on the contract, whichever is later. Documentation of the completion of a project shall be either by using the application certification section or the filing of a separate Project Completion Report (PCR), as applicable, whichever date is later. An extension of up to six months on filing the rebate request with the LDOR may be granted upon written request to the BI. This request must be received by BI prior to the standard rebate request time period has expired.

D. Qualifications

1. The applicant's current level of employment must be increased by 10 percent (minimum of one net new job) within the first 12 months or a minimum of five net new jobs must be added to the current payroll within the first two years of the contract period. See § 703. Minimum Net New Jobs Required. Thirty-five percent net new employees must meet § § 709, 711, 713, or 715 as applicable.

2. Any business, except residential developments, (including but is not limited to the construction, selling, or leasing of single-family or multi-family dwellings, apartment buildings, condominiums, town houses, etc), churches, and businesses with gaming (See Title 13.1.3 Gaming Ineligibility) may apply for enterprise zone benefits.

3. An applicant in an urban parish must certify that a minimum of 35 percent of its net new employees meet the requirements of § 709.

4. An applicant located in a rural parish and in an enterprise zone must certify that a minimum of 35 percent of its net new employees meet the requirements of § 711.

5. An applicant located in a rural parish and not in an enterprise zone must certify that a minimum of 35 percent of its net new employees meet the requirements of § 713.

6. An applicant located in an economic development zone must certify that a minimum of 35 percent of its net new employees meet the requirements of § 715.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Finance Division, LR 17:252 (March 1991), amended by Department of Economic Development, Office of Commerce and Industry, LR 22:446 (June 1996), amended by the Department of Economic Development, Office of Business Development, LR 29:2298 (November 2003).

§ 702. Future Contract Availability

Repealed.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#)) et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, amended LR 22:447 (June 1996), repealed Department of Economic

Development, Office of Business Development, LR 29:2299 (November 2003).

§ 703. Definitions

Affiliate-

1. any business entity that is:
 - a. controlled by the applicant business;
 - b. a controlling owner of the applicant business; or
 - c. controlled by an entity described in Subparagraph a or b;
2. for purposes of this definition, Control is defined as owning either directly, or indirectly through control of or by another business entity:
 - a. a majority of the voting stock or other voting interest of such business entity or the applicant business; or
 - b. stock or other interest whose value is a majority of the total value of such business entity or the applicant business;
3. a business entity may be treated as a non-affiliate if the applicant business proves that neither the applicant business nor any of its controlling owners exercise authority over the management, business policies and operations of the business entity.

Beginning of Project/Construction-the first day on which foundations are started or where foundations are unnecessary, the first day on which installation of the facility begins or the first day that materials or equipment purchased for that project are received. Where there is no construction, the first day on which a new hire is made in connection with the project shall mean "Beginning of Project/Construction" for the purposes of this Chapter.

Contract Effective Date-either the day that the advance notification was received by BI or the beginning date of the project/construction shown on the application. The contract effective date cannot be earlier than the date the advance notification was received by BI unless a waiver of timely filing has been approved by the Board of Commerce and Industry (Board).

Date of Hire-the first day of work for which the applicant directly pays an employee and is reported on the applicant's Louisiana Department of Labor (LDOL) Quarterly Report of Wages Paid.

Economic Development Zone (EDZ)-a geographic area of contiguous real properties defined by a visible boundary, designated as such by the state or the local governmental subdivision in which it is located and approved by the Board. The location of an EDZ once defined is permanent, cannot be moved, expanded, or relocated, and is owned or operated by the state or a political subdivision of the state or operated by an entity created by the state or a political subdivision of the state. EDZs must have been created by state statute and are defined to include the following:

1. industrial park;
2. business park;

3. airport or air park;
4. research park;
5. research and development park;
6. downtown development district-with taxing and bonding authority;
7. former federal facility-cannot be a single building or small grouping of prior federally owned and occupied buildings. The immediate previous occupant of this facility must have been a federal governmental entity; and
8. port-only the contiguous real property actually owned by that port.

Enterprise Zone-an area of high unemployment, low income and/or an area where a large number of residents are receiving some form of public assistance. For purposes of R.S.51:1787.B.4 and D.4 the term "some form of public assistance" shall include any program of assistance financed in whole or in part by a federal, state, or any local government agency, eligibility for which is dependant upon the employment status or income level of the individual. Any such assistance must have been received by the individual within a six month period prior to their employment. Receiving unemployment is not public assistance.

Full Time Employee-an employee reported on the applicant's Louisiana Department of Labor (LDOL) Quarterly Report of Wages Paid and who is scheduled to work 35 hours per week on a permanent basis and receive benefits.

Lacking Basic Skills-an employee that exhibits below a 9th grade level proficiency in reading or writing or math.

Louisiana Resident-shall be someone who has lived in Louisiana at least 30 consecutive days prior to being hired by the applicant.

Net New Job-in addition to all the other employees reported on the applicant's LDOL Quarterly Report of Wages Paid based at the site of the enterprise zone project.

Minimum Net New Jobs Required-an applicant must create the lesser of expanding their current workforce by a minimum of 10 percent of their present statewide workforce, minimum of 1, within the first 12 months of the contract or expand their workforce by a minimum of five net new employees within the first 24 months of the contract. The applicant's statewide workforce and the statewide workforce of all of its Louisiana affiliates will be considered when calculating the 10 percent.

Part Time Employee-an employee reported on the applicant's LDOL Quarterly Report of Wages Paid and works a minimum of 20 hours each week for six consecutive months.

Project/Construction Ending Date-the date all construction and purchasing is completed for the project.

Project/Construction Period-the time encompassed by the Contract Effective Date and the Project/Construction Ending Date.

Rural Parish-a parish having a current U.S. Census population of 75,000 or less.

Some Form of Public Assistance-any program of assistance financed in whole or in part by a federal, state, or any local government agency, eligibility for which is dependant upon the employment status or income level of the individual. Any such assistance must have been received by the individual within a six month period prior to their employment.

Unemployable by Traditional Standards-an employee that qualifies as physically challenged.

Urban Parish-a parish having a current U.S. Census population greater than 75,000.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2299 (November 2003).

§ 705. Endorsement Resolution

A. An applicant seeking a local sales/use tax rebate must obtain an endorsement resolution(s) from the local governmental subdivision(s) where those taxes are paid. The endorsement resolution must clearly state if the local governmental subdivision intends to rebate the allowable sales/use taxes for the project. This endorsement resolution must be passed by the local governmental subdivision(s) before the board approves the EZ application. Each project seeking a local sales/use tax rebate must have an endorsement resolution specific to the project.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Commerce, Office of Commerce and Industry, LR 8:230 (May 1982), amended LR 9:544 (August 1983), amended by the Department of Commerce, Office of Commerce and Industry, Division of Financial Programs Administration, LR 11:95 (February 1985), amended by the Department of Economic Development, Office of Commerce and Industry, Finance Division, LR 17:253 (March 1991), Department of Economic Development, Office of Commerce and Industry, LR 22:447 (June 1996), amended by the Department of Economic Development, Office of Commerce and Industry, Business Incentives Division, LR 23:295 (March 1997), amended by the Department of Economic Development, Office of Business Development, LR 29:2300 (November 2003).

§ 707. Documentation of Location

A. A current U.S. Census or the appropriate EDZ map with the project site location clearly marked shall be filed with the BI before the board approves the EZ application.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Commerce, Office of Commerce and Industry, LR 8:230 (May 1982), amended LR 9:544 (August 1983), amended by the Department of Commerce, Office of Commerce and Industry, Division of Financial Programs Administration, LR 11:95 (February 1985), amended by the Department of Economic Development, Office of Commerce and Industry, Finance Division, LR 17:253 (March 1991), amended by the Department of Economic Development, Office of Commerce and Industry, LR 22:447 (June 1996), amended by the

Department of Economic Development, Office of Business Development, LR 29:2300 (November 2003).

§ 709. Targeted Employees for an Applicant in an Urban Parish

A. Applicant located in an urban parish and receiving the benefits of this Chapter must certify that all net new employees creating tax credits are Louisiana residents and at least 35 percent meets one of the following requirements:

1. are residents of an enterprise zone in the same parish at the project's location of the applicant's;
2. are residents of an enterprise zone in a contiguous parish if the applicant has 500 or more employees at the project's location;
3. are/were receiving some form of public assistance, as defined in § 703. Some Form Of Public Assistance, within a six month period prior to their employment by the applicant;
4. are lacking basic skills; or
5. are unemployable by traditional standards.

AUTHORITY NOTE: Promulgated In accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Commerce, Office of Commerce and Industry, LR 8:230 (May 1982), amended LR 9:544 (August 1983), amended by the Department of Commerce, Office of Commerce and Industry, Division of Financial Programs Administration, LR 11:95 (February 1985), amended by the Department of Economic Development, Office of Commerce, Finance Division, LR 17:253 (March 1991), amended by the Department of Economic Development, Office of Commerce and Industry, LR 22:447 (June 1996), amended by the Department of Economic Development, Office of Business Development, LR 29:2300 (November 2003).

§ 711. Targeted Employees for an Applicant in a Rural Parish and in an Enterprise Zone

A. Applicant located in an enterprise zone in a rural parish and receiving the benefits of this Chapter must certify that all net new employees creating tax credits are Louisiana residents and at least 35 percent meets one of the following requirements:

1. are residents of the same parish as the project's location of the applicant's;
2. are residents of an enterprise zone in a contiguous parish if the applicant business has 500 or more employees at the project's location;
3. are/were receiving some form of public assistance within the six month period prior to their employment by the applicant. (See § 703. Some Form of Public Assistance);
4. are lacking basic skills; or
5. are unemployable by traditional standards.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Commerce, Office of Commerce and Industry, LR 8:230 (May 1982), amended LR 9:544 (August 1983), amended by the Department of Commerce, Office of Commerce and Industry, Division of Financial Programs Administration, LR 11:95 (February 1985), amended by the Department of Economic Development, Office of Commerce and Industry, Finance Division, LR 17:254 (March 1991), amended by the Department of Economic Development, Office of Commerce and Industry, LR 22:448 (June 1996), amended by the Department of Economic Development, Office of Business Development, LR 29:2301 (November 2003).

§ 713. Targeted Employees for an Applicant in a Rural Parish and not in an Enterprise Zone

A. Applicant located in a rural parish and not located in an enterprise zone and receiving the benefits of this Chapter must certify that all net new employees creating tax credits are Louisiana residents and at least 35 percent meets one of the following requirements:

1. are residents of an enterprise zone in the same parish as the project's location of the applicant;
2. are residents of an enterprise zone in a contiguous parish if the applicant has 500 or more employees at the project's location;
3. are/were receiving some form of public assistance within a six month period prior to their employment by the applicant. (See § 703.Some Form of Public Assistance);
4. are lacking basic skills; or
5. are unemployable by traditional standards.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2301 (November 2003).

§ 715. Targeted Employees for an Applicant in an Economic Development Zone

A. Applicant business located in an EDZ and receiving the benefits of this Chapter must certify that all net new employees creating tax credits are Louisiana residents and at least 35 percent meets one of the following requirements:

1. are residents of the same parish as the project's location of the applicant;
2. are residents of an enterprise zone in a contiguous parish if the applicant has 500 or more employees at the project's location;
3. are/were receiving some form of public assistance within a six month period prior to their employment by the applicant. (See § 703.Some Form of Public Assistance);
4. are lacking basic skills; or
5. are unemployable by traditional standards.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2301 (November 2003).

§ 717. Annual Employee Certification

A. An annual Employee Certification Report (ECR) must be filed with the BI by March 1 on all active contracts validating compliance with § § 709, 711, 713, and 715. Failure to file may result in contract cancellation.

B. The "beginning number" from which the net new jobs will be determined shall meet one of the following:

1. the number of employees that an applicant has on the day before the contract effective date; or
2. the last annual average number of employees that was certified under a valid enterprise zone contract the day prior to the new contract effective date on contiguous contracts.

C. An employee count will be taken from the applicant's entire contiguous site for the purposes of calculating the jobs tax credit generated. If the applicant has more than one site within the metropolitan area where the project is located, BI may consider the total employee count using all locations in calculating the jobs tax credits generated.

D. Monthly totals of permanent full time employees will be averaged over a minimum of six months to determine the number of jobs tax credit generated. Only employees reported on the LDOL Quarterly Report of Wages Paid will be used to calculate this average monthly total. In no case shall the new employees exceed the net increase in total employment.

E. Part time employees may be counted after completing a minimum of 20 hours every week for that continuous six month period. Only employees reported on the LDOL Quarterly Report of Wages Paid will be used to calculate this average monthly total. In no case shall the new employees exceed the net increase in total employment.

F. If the ECR substantiates that the company has not met the hiring requirements in this Chapter, the board shall cancel the contract and no jobs tax credit will be granted. The Department of Economic Development (LDED) will notify LDOR within 30 days after cancellation of a contract. Upon notification by LDED of the failure to meet the minimum jobs requirement, LDOR will immediately assess tax liability to the applicant equal to all state sales/use tax rebates paid pursuant to this Chapter plus any penalty and interests due.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2301 (November 2003).

§ 718. Advance Notification, Timely Filing

Repealed.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development Office of Commerce and Industry, Business Incentives Division, LR 23:295 (March 1997), repealed by the Department of Economic Development, Office of Business Development, LR 29:2302 (November 2003).

§ 719. Arbitrary Termination of Employees

A. The board shall not accept an application from an applicant which performs essentially the same job at the same or new location but for a different ownership in order to qualify for the benefits of this Chapter. New jobs tax credits shall not be generated by those persons whether or not the name or owner of the business changes over a short period of time (less than two weeks), i.e., a business closes on Friday under one ownership and opens on Monday under a different ownership. These are not net new jobs and shall not generate jobs tax credits under this Chapter.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2302 (November 2003).

§ 721. Items Eligible for Sales/Use Tax Rebate

A. Materials that are permanently installed at the enterprise zone project site during the project/construction period are eligible for sales/use tax rebates.

B. Materials that originate from a contractor/subcontractor's inventory and are permanently installed at the enterprise zone project site during the project/construction period are eligible for sales/use tax rebates. In order for rebates to be issued on property withdrawn from inventory, the contractor/subcontractor must maintain sufficient records and provide sufficient information to enable the LDOR to verify that Louisiana sales or use taxes were paid on the property for which rebate is claimed.

C. Machinery and/or equipment purchased for the enterprise zone project site during the project/construction period are eligible for sales/use tax rebates provided that the machinery and equipment are used exclusively at the project site, are owned by an entity named in the enterprise zone contract with the state, and are intended to remain at the project site for the expected useful life of the machinery and equipment.

D. Machinery and or equipment transferred into Louisiana for the enterprise zone project site during the project/construction period are eligible for sales/use tax rebates provided that the machinery and equipment are used exclusively at the project site, are owned by an entity named in the enterprise zone contract with the state, and are intended to remain at the project site for the expected useful life of the machinery and equipment.

E. Software purchased, capitalized, and used by the applicant primarily at the enterprise zone project site during the project/construction period are eligible for sales/use tax rebates.

F. Consumable items are not eligible for sales/use tax rebate. A partial listing of ineligible items are: per diem, labor, service contracts, storage, freight, radios, laptop computers, utilities, permits and fees, office supplies, construction consumables, blades, drill bits, PVC sheeting, tape, gloves, dusk masks, and all leases and rentals.

G. Lease-purchases may be eligible for a sales/use tax rebate upon LDOR's approval. The property acquired through lease-purchase must be used exclusively at the project site, must be owned by an entity named in the enterprise zone contract with the state, and must be intended to remain at the project site for the expected useful life of the machinery and equipment. A copy of the lease-purchase agreement must be submitted with the Claim for Rebate Request to LDOR, Office Audit Division.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Commerce, LR 9:230 (May 1982), amended LR 9:544 (August 1983), LR 11:96 (February 1985), amended by the Department of Economic Development, Office of Business Development, LR 17:255, (March 1991), LR 22:449 (June 1996), amended by the Department of Economic Development, Office of Business Development, LR 29:2302 (November 2003).

§ 723. Filing of Advance Notification

A. An Advance Notification form and fee shall be filed prior to the beginning of project/construction with BI. All incentives for the same project must be indicated on one advance notification and be identified by one project number. It is not acceptable to apply for Enterprise Zone Program and use the same project in a Miscellaneous Capital Addition application for the Industrial Tax Exemption Program. Internet filing of the advance notification may be made at <http://www.laemall.com>.

B. An advance notification lacking the proper application will expire one year after the project/construction ending date shown on the advance notification unless a written request for a date revision request is received by BI prior to the expiration date.

C.1. An advance notification received by BI after the beginning of the project/construction will obligate the applicant to file written reason(s) for the late filing. The board will accept reasons that fall within the following two categories in determining if it will consider waiving the late filing:

- a. events beyond the control of the applicant caused the late filing; or
- b. there was some documented fault or error on the part of the BI that caused the applicant's late filing.

2. Lack of knowledge of the existence of the Enterprise Zone Program or its benefits will not be accepted as a valid reason for waiving the timely filing requirement.

D. An advance notification which receives a waiver of late filing will allow the applicant to proceed as if the advance notification was filed timely.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development LR 29:2302 (November 2003).

§ 725. Filing of Applications

A. Applications must be filed with the Office of Business Development, Business Incentives Division, P.O. Box 94185, Baton Rouge, LA, 70804-9185, on the form prescribed, within three months after project/construction ending date. Internet filing of the application may be made at <http://www.laemall.com>.

B.1. An application fee shall be submitted with the each application based on the following formula:

Application Fee = Total Estimated Tax Relief x 0.2% (.002)

Total Estimated Tax Relief =

Jobs Tax Credit* + State sales/use tax rebate

Application Fee = Total Estimated Tax Relief x .2% (.002)

(Minimum fee is \$200 and the maximum fee is \$5,000 application per Program.)

2. An additional application fee will be due if a project's employment or investment scope is increased, resulting in a minimum fee of \$100 more than what has already been submitted, unless the maximum has been paid.

3. Jobs Tax Credit-the total amount calculated by multiplying all the new jobs estimated to be created within the five year contract period by \$2,500 (\$5,000 for aerospace or auto parts manufacturers).

4. All fees shall be made payable to: Louisiana Department of Economic Development.

D. The applicant shall file an original and a copy of the Inspection/Audit Affidavit Form showing a complete list of building(s) and equipment and the cost of each item on the project with the appropriate fee for the inspection which will be conducted by the BI. This affidavit must be filed within six months of the project/construction ending date or when the signed original contracts are returned to the BI, whichever is later.

E. The BI reserves the right to return the advance notification, application, or inspection/audit affidavit to the applicant if the estimated tax relief or the fee submitted is incorrect. The application or inspection/audit affidavit may be resubmitted within 30 days with the correct fee without penalty.

F. The advance notification, application, and the inspection/audit affidavit will not be considered officially received or accepted without the appropriate fee being received by BI. Processing fees for the advance notification, application, or inspection/audit affidavit, which have been received and accepted, will not be refunded.

G. Applications must be submitted to the BI at least 45 days prior to the board meeting where it is intended to be presented for approval.

H. The applicant proposing a project with a construction period greater than two years is required to separate the project into phases with no phase having over a two year construction period. Each construction phase shall require a separate advance notification, application and fee to be filed with the BI. The applicant must comply with § 701.D for each application.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2303 (November 2003)

§ 727. Recommendations of the Secretaries of Economic Development and Revenue

A. BI shall forward the applications with recommendations to the secretary of Louisiana Department of Revenue and the secretary of Louisiana Department of Economic Development for their review. The secretaries of LDOR and LDED may submit a letter of no objection in lieu of a letter of recommendation.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2303 (November 2003).

§ 729. Application Shall Be Presented to the Board of Commerce and Industry

A. BI shall present an agenda of applications to the Board and with recommendations based upon its findings.

B. Applicant or their representatives will be notified of the board meeting date at which their application will be considered. The applicant business should have someone present who is able to answer any questions the board may have regarding the information contained in the application. In the event there is no representative present, the application may be deferred or denied.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2303 (November 2003).

§ 731. Board of Commerce and Industry Enters into Contract

A. Upon approval of the application, the board shall enter into contract with the applicant for the benefits allowed by this Chapter. The applicant must execute their portion of the contract and return it within 30 days to BI. The state will complete the execution. A fully executed original contract will be returned to the applicant. An original and a copy will be sent to the LDOR and, if applicable, a copy sent to the local governmental subdivision.

B. BI must be notified of any change that will effect the contract. This includes, but is not limited to, changes in the ownership or operational name of the applicant business holding a contract, or the suspension, closing, or abandonment of operations. Failure to report any changes within six months may constitute a breach of contract.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2303 (November 2003).

§ 733. Rebates of Sales/Use Taxes

A. The contract will not authorize the applicant to make tax exempt purchases from vendors. The applicant will be contacted by the LDOR on the proper procedures to obtain the state sales/use tax rebate. Rebates will be obtained by the filing of a rebate request with the LDOR, Office Audit Division, which must include the following:

1. a list of eligible purchases (See § 721) including a brief description of each item, the vendor's name, date of the delivery, sales price and the amount of state sales/use tax paid. The listed items must have been purchased by the applicant of the project, a builder, a contractor, or other party that contracted with the owner to provide materials, equipment, machinery, or software that is used by the applicant primarily at the project site or is listed in Schedule 3 of the enterprise zone contract;

2. a certification that the listed materials are reasonably expected to qualify for a rebate under provisions of this Chapter; and

3. a certification that state sales/use taxes have been paid on the listed items.

B. The request may be filed on the official LDOR "Claim for Rebate" form or on other forms prepared by the applicant. After LDOR has validated the information on the Claim for Rebate, a rebate check will be issued for the amount of substantiated state sales/use taxes paid.

C. The applicant should contact the local governmental subdivision issuing the endorsement resolution to determine the procedure for local sales/use tax rebate.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2303 (November 2003).

§ 735. Applicant with a Contract Must File State Income and Franchise Tax Returns

A. Applicant that have satisfied their Louisiana income tax and/or franchise tax liability by applying jobs tax credits earned under this Chapter shall file the same required forms and tax returns with the LDOR that are required if no jobs tax credit were taken. Each annual return where jobs tax credit are taken will have a copy the letter from BI certifying the tax credits and the unused jobs tax credits from previous years provided. If total jobs tax credits are less than the total taxes, remittance in the amount of the difference must be enclosed with the tax return. Limited Liability Companies, Sub Chapter S Corporations, etc., must have the name(s) of owners and their social security numbers listed on the contract in order for job tax credits to flow through to the owner(s).

B. Partnerships and sole proprietorships shall file the same returns that are required if the jobs tax credit had not been granted.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2304 (November 2003).

§ 737. Violations of Rules, Statutes, or Documents

A. On the initiative of the board or whenever a written complaint of violation of the terms of the

Rules, the contract documents, or the statutes, is received the board or its representative shall determine if a full investigation should be made. The board shall have full authority for such investigation, including but not exclusively, the authority to call for reports, pertinent records, or other information from the applicant. If the investigation appears to substantiate a violation the board or its representative will present the subject contract for formal action. If an applicant is found to be in violation of these Rules or the contract, the applicant shall remit back to the state all jobs tax credit taken on income tax and/or franchise returns, all sales and use tax rebates, and any other taxes that would have been imposed but for the issuance of this contract.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2304 (November 2003).

§ 739. Economic Development Zone Annual Reporting

A. Each EDZ will submit an annual report which will compare activity in the last completed year to the previous year's activity.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2304 (November 2003).

§ 741. Multi-Tenant Facility

A. For a multi-tenant facility to be eligible for the benefits of this Chapter, the applicant must meet one of the following:

1. occupy a minimum of 33 percent of the total floor area of the building;
2. tenants are businesses new to the state;
3. tenants are Louisiana businesses increasing their number of locations within the state by placing a new location within this facility;
4. tenants are relocating within Louisiana and will generate the minimum of new job credits over and above the total jobs at their previous location per § 701.D.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2304 (November 2003).

§ 743. Relocation of Enterprise Zones

A. A local governmental subdivision requesting the relocation of an enterprise zone must provide valid reason(s) for requesting the move and must have the approval of the board. All relocation of enterprise zone requests must be accompanied by a single map showing the location of the old and the new enterprise zones.

B. The residents of originally designated enterprise zone may qualify as part of the 35 percent residency requirement.

C. The effective date of a relocation approved by the board shall be the date of passage affixed to the resolution by the local governing authority requesting the relocation.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2304 (November 2003).

§ 745. Appeals and Petition Procedure

A. Applicants who wish to appeal an action of the Board of Commerce and Industry must submit their appeals along with any necessary documentation to the Office of Business Development, Business Incentives Division no later than 90 days after the board action to be appealed. The appeal shall not be considered by the board less than one month after it is submitted.

B. Petitions, and all documentation, on matters not yet presented to or ruled on, by the board, must be submitted to the Office of Business Development, Business Incentives Division at least one month prior to the meeting of the board or any of its committees in which the petition will be made.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 29:2304 (November 2003).

§ 747. Exclusion of Residential Developments

Repealed.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Commerce, Office of Commerce and Industry, LR 9:546 (August 1983), amended by the Department of Commerce, Office of Commerce and Industry, Division of Financial Programs Administration, LR 11:97 (February 1985), amended by the Department of Commerce, Office of Commerce and Industry Finance Division, LR 12:660 (October 1986), amended by the Department of Economic Development, Office of Commerce and Industry, Finance Division, LR 17:257 (March 1991), amended by the Department of Economic Development, Office of Commerce and Industry, LR 22:451 (June 1996), repealed by the Department of Economic Development, Office of Business Development, LR 29:2305 (November 2003).

§ 749. Prohibit Local Fees and Prohibit Local Conflicting Employment Practices

A. No local governmental subdivision shall charge any fees or require any employment practices which conflict with state law as a precondition to authorize tax benefits under this Chapter.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of

Commerce and Industry, Finance Division, LR 17:257 (March 1991), amended by the Department of Economic Development, Office of Commerce and Industry, LR 22:451 (June 1996), amended by the Department of Economic Development, Office of Business Development, LR 29:2305 (November 2003).

§ 751. Application Procedures

Repealed.

AUTHORITY NOTE: Promulgated in accordance with [R.S. 51:1786\(5\)](#).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Finance Division, LR 17:257 (March 1991), amended LR 22:451 (June 1996), repealed by the Department of Economic Development, Office of Business Development, LR 29:2305 (November 2003).